

Congress of the United States
Washington, DC 20515

402

May 18, 2016

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington D.C. 20554

Dear Chairman Wheeler:

We write this letter in support of a recent submission by the New York Public Service Commission (PSC) and Empire State Development (ESD) regarding the upcoming Connect America Fund II (CAF) auction. Specifically, we believe it is critical that the Federal Communications Commission (FCC) adopt auction rules that would ensure that CAF funds originally allocated to the State of New York are not diverted to other regions. This CAF funding is vitally important to providing broadband to underserved communities in New York and an issue that concerns basic fairness in making sure that funds that had been allocated to New York for that purpose remain in those regions. The Commission's consideration of rules regarding the disbursement of Connect America Fund (CAF) funds is critical to all New York State residents to ensure that they have access to broadband.

Particularly since New York is a state whose citizens and businesses have made net contributions of more than \$1 billion over the past five years to federal Universal Service Fund programs, the Commission must ensure that communities in New York receive this CAF funding. New York and other states should not be unfairly punished and at-risk of losing funding because telecommunications carriers declined their CAF funds. Additionally, the PSC and ESD correctly explained that the Commission's rules should also support state-driven approaches to broadband funding and promote fiscal responsibility by providing CAF funds directly to states that sponsor their own broadband programs. For its part, New York State has dedicated over \$500 million for broadband deployment through its New NY Broadband Program. As the PSC and ESD noted, we believe the FCC should take this opportunity to craft rules to align CAF funding with New York's program to ensure the efficient distribution of USF funds. Partnering with states like New York – that are dedicating their own funds to broadband deployment – would create a positive incentive and encourage other states to create their own broadband funding programs.

We believe the CAF reverse auction can promote broadband deployment in New York and other states and we urge the Commission to adopt fair, equitable and responsible rules to ensure that tens of thousands of New York families are not negatively impacted by the FCC's action. We hope the FCC will join with the State of New York in reaching for the critical goal of providing high quality broadband to all of our residents.

Sincerely,



Paul Tonko



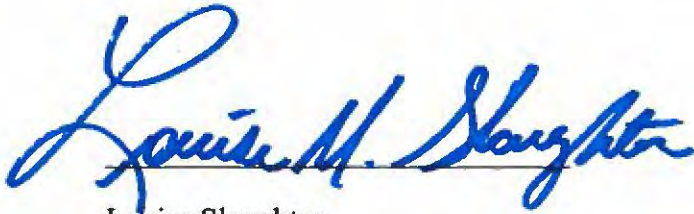
Chris Collins



Richard Hanna



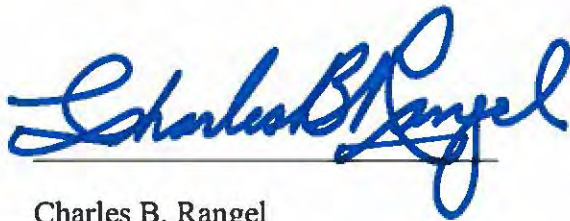
Eliot L. Engel



Louise Slaughter



Chris Gibson



Charles B. Rangel



Elise Stefanik



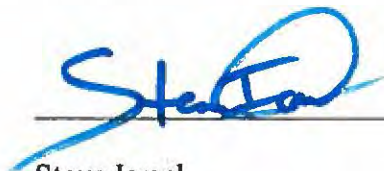
Tom Reed



Lee Zeldin



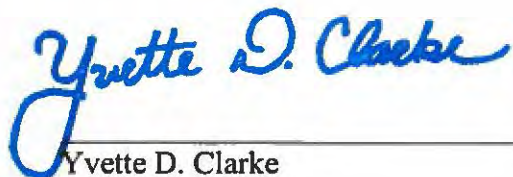
John Katko



Steve Israel



Grace Meng



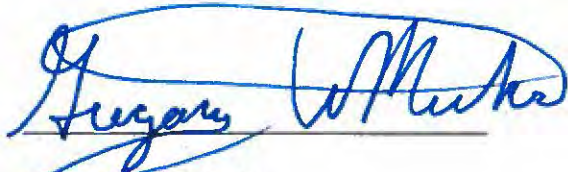
Yvette D. Clarke



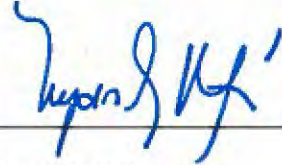
Brian Higgins



Joe Crowley



Gregory W. Meeks



Nydia M. Velázquez



Kathleen Rice



Carolyn B. Maloney



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Chris Collins
U.S. House of Representatives
1117 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Collins:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

In May, the Commission adopted an Order and Further Notice of Proposed Rule Making (FNPRM) addressing the framework for the CAF Phase II competitive bidding process. Through the CAF Phase II bidding process, the Commission will allocate more than \$2 billion over the next decade to expand broadband in targeted rural areas. One of the primary policy goals for this competitive bidding process is to ensure widespread participation from all providers that can deliver a high-quality service. Simply put, more competition between providers means that finite universal service funding will be used efficiently to deliver the best possible solutions.

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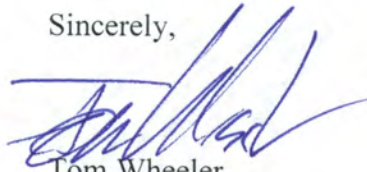
Page 2—The Honorable Chris Collins

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As the Commission moves forward with finalizing the structure of the CAF Phase II reverse auction, please be assured that we will take into consideration the issues and concerns presented by all stakeholders, including those voiced by you and your constituents, and give full attention to the best ways to ensure that rural communities have access to robust and reliable broadband service.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Yvette D. Clarke
U.S. House of Representatives
2351 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Clarke:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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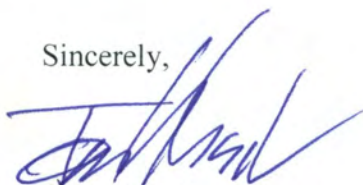
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Tom Wheeler



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WASHINGTON

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July 11, 2016

The Honorable Joseph Crowley
U.S. House of Representatives
1436 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Crowley:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

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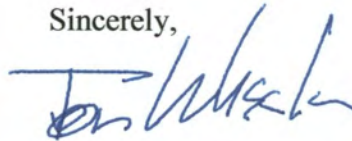
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
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July 11, 2016

The Honorable Eliot L. Engel
U.S. House of Representatives
2462 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Engel:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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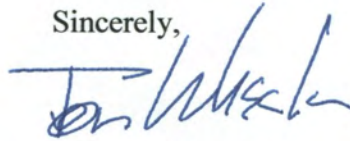
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WASHINGTON

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July 11, 2016

The Honorable Chris Gibson
U.S. House of Representatives
1708 Longworth House Office Building
Washington, D.C. 20515

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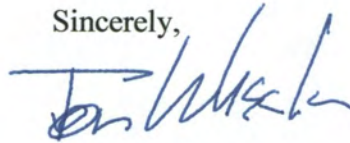
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OFFICE OF
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 11, 2016

The Honorable Richard Hanna
U.S. House of Representatives
319 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Hanna:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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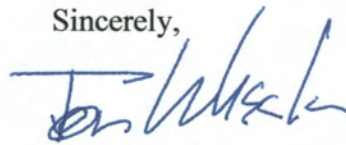
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WASHINGTON

OFFICE OF
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July 11, 2016

The Honorable Brian Higgins
U.S. House of Representatives
2459 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Higgins:

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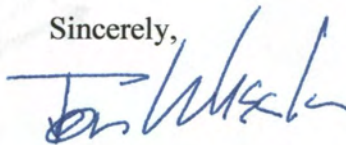
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July 11, 2016

The Honorable Steve Israel
U.S. House of Representatives
2457 Rayburn House Office Building
Washington, D.C. 20515

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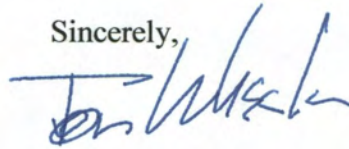
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July 11, 2016

The Honorable John Katko
U.S. House of Representatives
1123 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Katko:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

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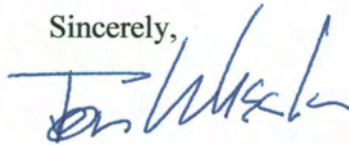
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Carolyn B. Maloney
U.S. House of Representatives
2308 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Maloney:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

In May, the Commission adopted an Order and Further Notice of Proposed Rule Making (FNPRM) addressing the framework for the CAF Phase II competitive bidding process. Through the CAF Phase II bidding process, the Commission will allocate more than \$2 billion over the next decade to expand broadband in targeted rural areas. One of the primary policy goals for this competitive bidding process is to ensure widespread participation from all providers that can deliver a high-quality service. Simply put, more competition between providers means that finite universal service funding will be used efficiently to deliver the best possible solutions.

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Accordingly, the FNPRM seeks comment on a number of measures to achieve the public interest objective of ensuring appropriate support for all states. The Order recognizes and applauds state initiatives to advance broadband deployment and access to unserved and underserved consumers, such as New York's. We seek further comment on how best to coordinate with such initiatives to achieve our universal service goals. Finally, we seek further comment a number of ways that the Commission can structure the CAF Phase II auction to

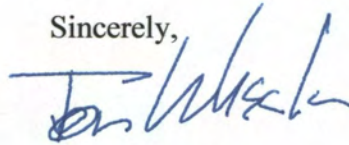
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Gregory W. Meeks
U.S. House of Representatives
2234 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Meeks:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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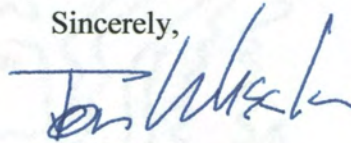
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Grace Meng
U.S. House of Representatives
1317 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Meng:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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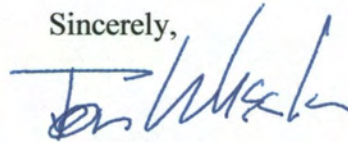
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Charles B. Rangel
U.S. House of Representatives
2354 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Rangel:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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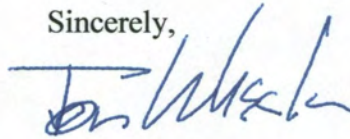
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Tom Reed
U.S. House of Representatives
2437 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Reed:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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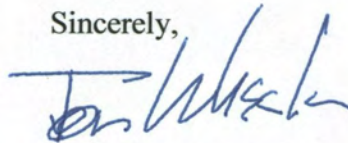
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Kathleen Rice
U.S. House of Representatives
1508 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Rice:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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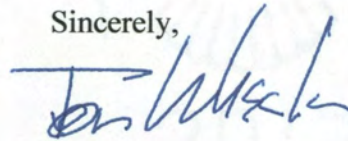
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Louise M. Slaughter
U.S. House of Representatives
2469 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Slaughter:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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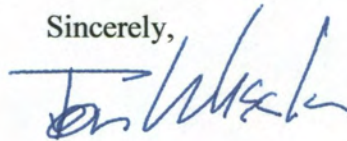
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Elise Stefanik
U.S. House of Representatives
512 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Stefanik:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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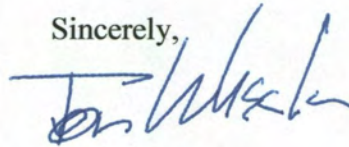
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Paul Tonko
U.S. House of Representatives
2463 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Tonko:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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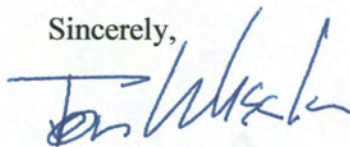
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 11, 2016

The Honorable Nydia M. Velazquez
U.S. House of Representatives
2302 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Velazquez:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

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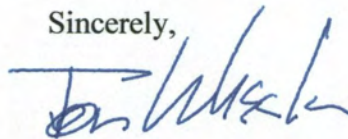
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 11, 2016

The Honorable Lee Zeldin
U.S. House of Representatives
1517 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Zeldin:

Thank you for your letter urging the Commission to adopt rules for the Connect American Fund (CAF) Phase II competitive bidding process that ensures an equitable allocation of funding for states such as New York.

I share your interest in bridging the rural digital divide in our country. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. The Commission is focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas while providing a climate for increased broadband expansion, all within the confines of the CAF budget.

In May, the Commission adopted an Order and Further Notice of Proposed Rule Making (FNPRM) addressing the framework for the CAF Phase II competitive bidding process. Through the CAF Phase II bidding process, the Commission will allocate more than \$2 billion over the next decade to expand broadband in targeted rural areas. One of the primary policy goals for this competitive bidding process is to ensure widespread participation from all providers that can deliver a high-quality service. Simply put, more competition between providers means that finite universal service funding will be used efficiently to deliver the best possible solutions.

Among the key issues we seek comment on in the FNPRM are the concerns you and others have raised regarding those states where significant amounts of Phase II funding were initially declined by incumbent, price cap carriers. In my view, a decision by a price cap carrier to decline CAF Phase II funding support in no way diminishes our universal service obligations to provide support to connect the unserved communities in those states.

Accordingly, the FNPRM seeks comment on a number of measures to achieve the public interest objective of ensuring appropriate support for all states. The Order recognizes and applauds state initiatives to advance broadband deployment and access to unserved and underserved consumers, such as New York's. We seek further comment on how best to coordinate with such initiatives to achieve our universal service goals. Finally, we seek further comment a number of ways that the Commission can structure the CAF Phase II auction to

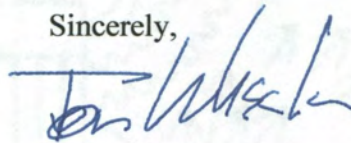
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ensure an equitable distribution of funds to states like New York, where the price cap carrier declined to accept significant amounts of universal service support.

As the Commission moves forward with finalizing the structure of the CAF Phase II reverse auction, please be assured that we will take into consideration the issues and concerns presented by all stakeholders, including those voiced by you and your constituents, and give full attention to the best ways to ensure that rural communities have access to robust and reliable broadband service.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a faint, circular official seal of the Federal Communications Commission.

Tom Wheeler